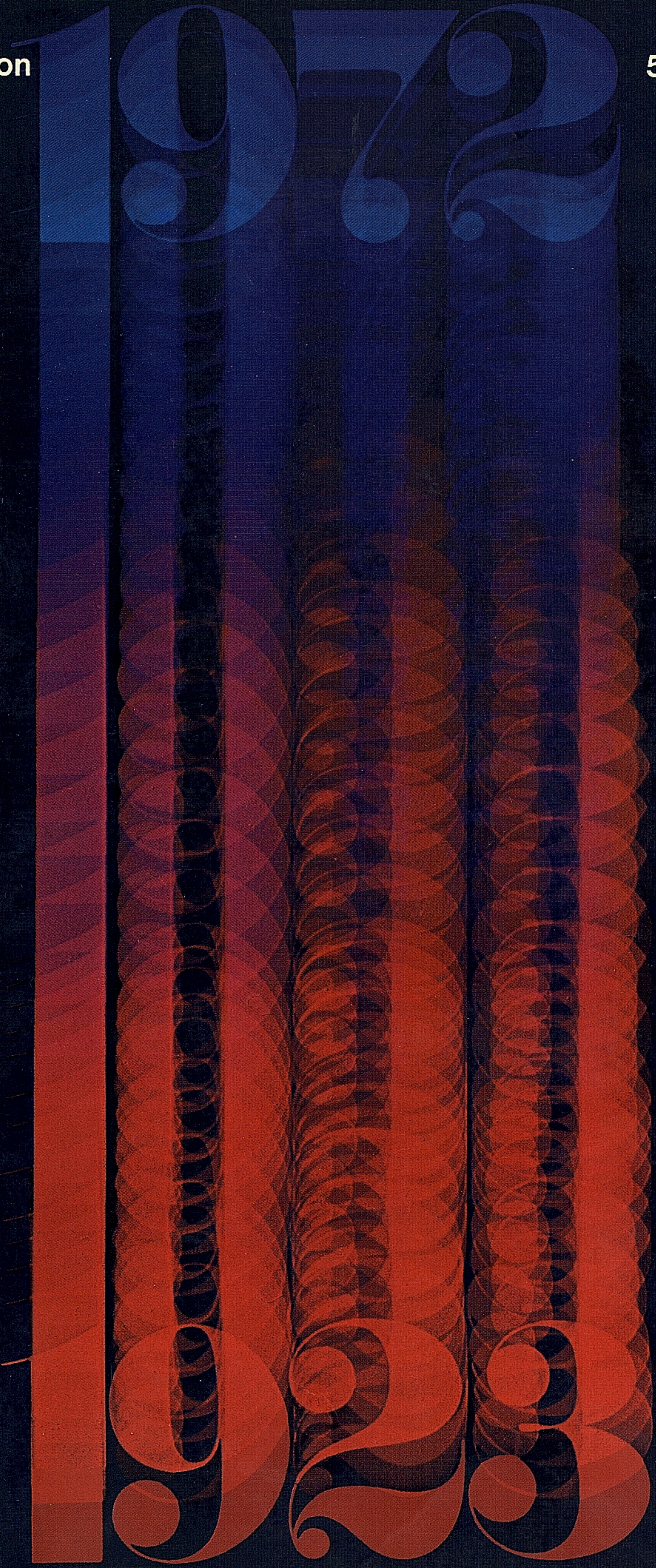
Kraftco Corporation

50th Anniversary



Kraftco Corporation

PMP
STARBOARD

Good Food and Good Food Ideas for 50 Years

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KRAFT
Sealtest
Breakstone
KRA-PAK
R&D

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CORPORATION FILE

A Message from the Chairman

This year Kraftco Corporation completes its first half-century. It has been said that the past fifty years have seen more significant change in human affairs than all the rest of history combined. For most people, the life styles which seemed so good during the Twenties would be unacceptable today. Our remarkable advances in the sciences, in communication, transportation and other branches of technology have changed us all . . . and few of us, I suspect, would willingly return to the "good old days."

Despite the sweeping changes brought by the years, some aspects of modern living continue essentially the same. For example, people still like the foods they always have enjoyed, but they expect them to be improved through the benefits of advancing technology. Consumers have learned to look for an upgrading of quality, convenience and value in the food they eat. For Kraftco, the basic challenge still is much the same as it was in 1923, even though our methods have changed greatly to match the expectations of the consumer.

While we take this occasion for a brief, pleasant look back to the sources of Kraftco's tradition of progress, we also recognize that the next fifty years may well bring further changes that are unimaginable today, just as some of the events of our first fifty years could not have been foreseen in 1923. Further, the rate of change in our society is still accelerating, and we must speed up our own responses to change and also continue to create change through leadership. This is no easy task, but our success will be directly influenced by our long-range planning ability to make accurate assumptions about the future, to examine alternatives and to assign probabilities to each.

Another factor which does not change with the years is the need to operate Kraftco in such a way as to produce a fair profit. Everything we hope to achieve depends on future profits. Kraftco has earned a profit in every quarter since it was founded in 1923 as National Dairy Products Corporation. In consequence, the Company has been able to pay regular dividends, expand the business, conduct research, provide jobs for thousands of employees, and contribute to the general welfare through taxes and voluntary gifts. In short, profits support the efforts of people working together in a private enterprise to provide goods and services essential to life itself.

We have reason to be optimistic about Kraftco's future. Ours is a stable, basic business offering quality products and services. Although the achievements of our first half-century were many, we are confident our greatest years are still ahead.

William O. Beers

William O. Beers
Chairman of the Board and President

March 9, 1973.

Kraftco – At the Half-Century Mark

Since 1923, Kraftco has been guided by a belief that it is the Company's obligation to learn the needs and wishes of consumers and respond with nutritious, wholesome and appealing foods. Only by satisfying the consumer with high quality products, at a fair cost, can Kraftco earn a profit and provide a satisfactory return on the investment of its shareholders.

This has been a guiding principle since the Company was founded by Thomas H. McInnerney. Incorporation took place in 1923, but the Company had its beginnings much earlier. In 1914, Mr. McInnerney purchased the Hydrox Corporation of Chicago and went into business for himself.

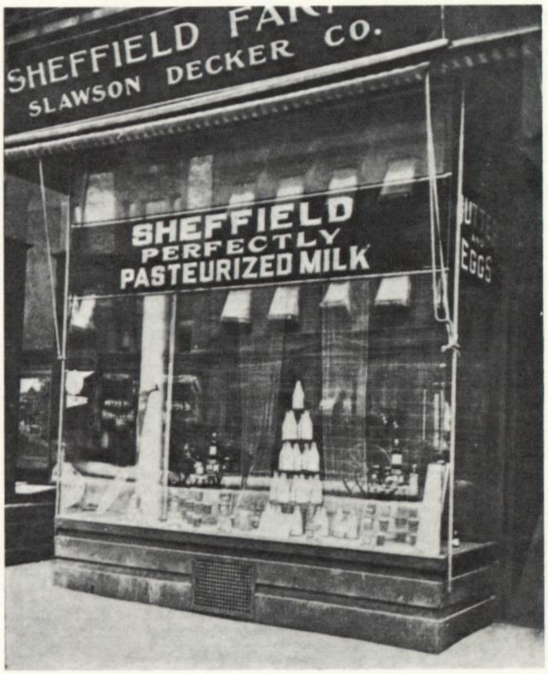
The ice cream business was new to McInnerney who was trained as a pharmacist and, at 47, he was no youngster himself. But he learned quickly, and in nine years he quadrupled the size of his company, as Hydrox sales rose from one to four million dollars annually.

In those days, families in towns and cities bought their milk from local dealers—often ladling it directly into their own pitchers from cans brought to the front door by horse-drawn wagons. But, in aggregate, America's 20,000,000 milk cows were the foundation of an industry larger than steel or automobile manufacturing at that time.

If a way could be found, McInnerney reasoned, to offer financial, legal and operating guidance to small dairy operations so as to strengthen them in production and marketing, the potential seemed limitless. He thought about the problem a good deal during the years of World War I. Then, with this winningly simple

CHEESE
KRAFT.
J.L.KRAFT & BROS
214 So.WaterSt.

Symbolizing growth and change since the days when Kraft cheese was distributed by horse and wagon, is our new Corporate Administrative Center in Glenview, Illinois (pictured left) which began operation May 1, 1972.



By the turn of the century, New York City's need for fresh milk was critical. The leaders of three small dairies in 1902 merged their companies to meet increasing public need. Sheffield Farms-Slawson-Decker Company was a forerunner of Kraftco's Sealtest Foods Division.

idea in mind (and winner it proved to be), he began a two-year search for capital.

In 1923, McInnerney had the funds he needed to begin his venture. That same year a new corporation was founded as National Dairy Products Corporation through the merger of Hydrox Corporation and Rieck-McJunkin Dairy Company of Pittsburgh. Thomas McInnerney was the first president and Edward E. Rieck assumed the responsibilities of chairman. For 46 years the Company operated as National Dairy Products Corporation.

At the end of the first year, the new company showed a net profit of $1,640,000 on sales of $13,568,000. Most of the volume was in milk and ice cream. In 1924, additional ice cream companies were added, pushing sales to the $20,180,000 mark and profits after taxes to $2,353,000.

1925 was an historic year for National Dairy. The growing company acquired several more operating units, including Sheffield Farms Company, a major dairy in the metropolitan New York area, and Supplee-Wills-Jones Company of Philadelphia, the nation's oldest milk company, which was started in 1804.

In 1926, the Breyer Ice Cream Company of Philadelphia and the Luick Ice Cream Company of Milwaukee were acquired.

In 1928, the acquisition of General Ice Cream Corporation opened fresh markets in Upper New York State, Connecticut and Maine. The purchase of The Telling-Belle-Vernon Company of Cleveland also occurred that year. Sales for 1928 were $212,630,000. Net earnings of $13,190,000 in 1928 nearly matched total sales for all of 1923, the year the Company was founded. These early companies were among those which eventually became part of today's Sealtest Foods Division.

Breakstone Foods also joined National Dairy in 1928. This old-line company started marketing a full dairy line including cottage cheese, sour cream, cream cheese and other cultured milk foods on New York's Lower East Side in 1882. In 1929, the Sugar Creek Creamery Company, producers of fine butter out of Watseka, Illinois, joined forces with National Dairy. Sugar Creek's line has been expanded since to include powdered milk, ice cream mixes and flavors. These two companies would later be merged into a single division.

During the first years of rapid growth, buoyed up by the Company's expansion and the country's booming prosperity, McInnerney established two basic rules. The first was to acquire no company which would not immediately increase National Dairy's total earnings per share. The second rule was to continue the essentially autonomous operation of each subsidiary company, and to fold in the resources for growth which small independents lacked: research, purchasing expertise, and capital for expansion.

In 1929, McInnerney completed arrangements to purchase—for stock, bonds and cash—the Kraft-Phenix Cheese Corporation of Chicago.

The transaction followed months of complicated negotiations with an investment consortium which had previously acquired a major interest in Kraft-Phenix. When the merger went through on May 21, 1930, National Dairy Products Corporation had boosted annual net sales to $374,558,000.

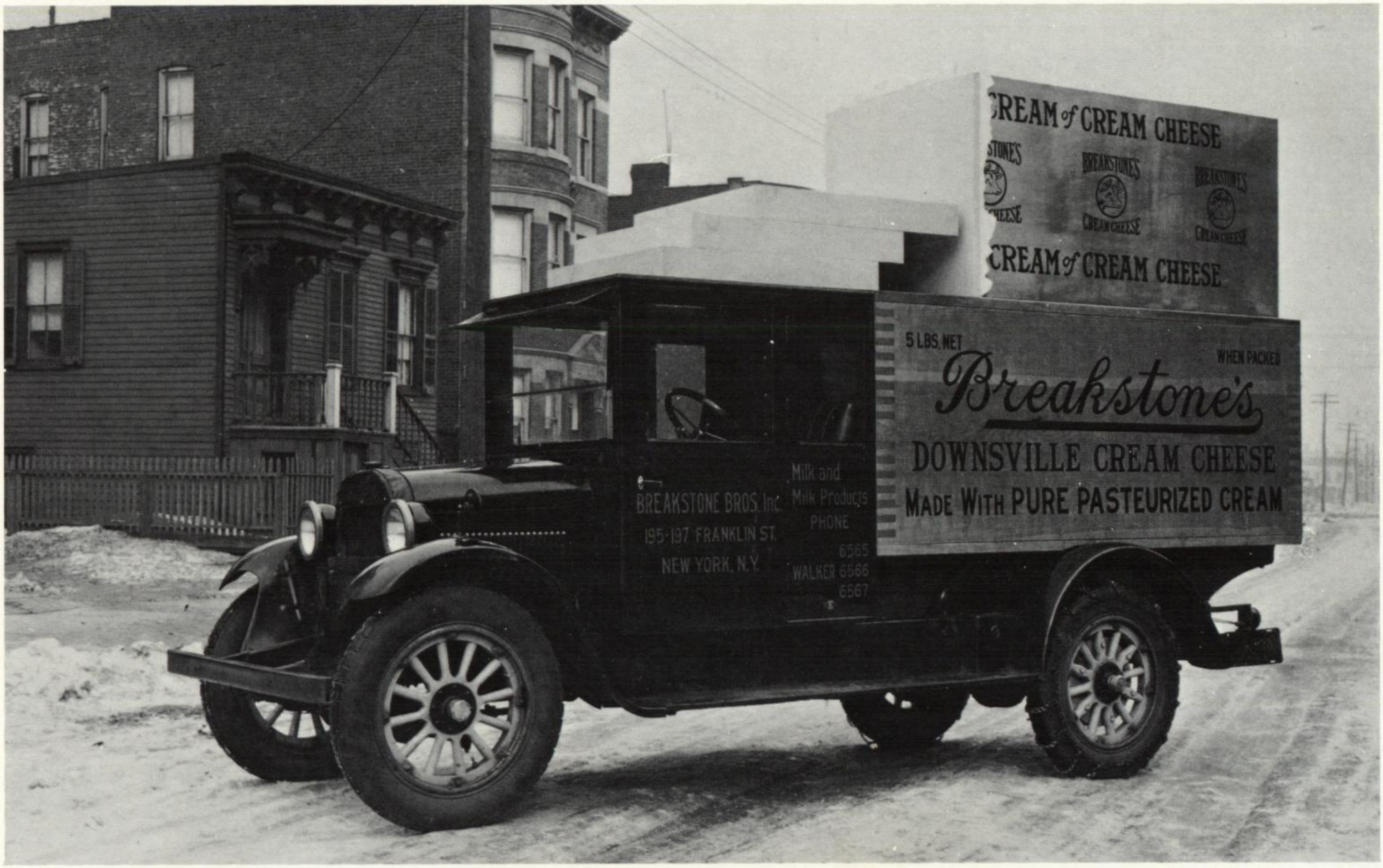
RAFT CHEESE
IN LOAF IN TINS
KRAFT CHEESE
KRAFT LOAF CHEESE
UNVARYING FLAVOR
KRAFT CHEESE
J.L.KRAFT & BROS.CO.
NEW YORK CHICAGO
KRAFT CHEESE
KRAFT CHEESE

ICE CREAM PLANT
BREYER ICE CREAM CO.
9TH, CUMBERLAND & CADWALLADER STS.
& BRANCH STORES.

The Kraft-Phenix Cheese Corporation of Chicago joined the Corporation in 1930. The Breyer Ice Cream Company of Philadelphia was acquired in 1926.

Even then Kraft was making history in the food industry. J. L. Kraft's discovery of a practical method for processing cheese and putting it up in tins so it would keep, paved the way for a swift succession of product innovations. After the merger with National Dairy, the outpouring of products bearing the *Kraft* trademark continued: *Miracle Whip* Salad Dressing, *Parkay* Margarine, *Kraft* Dinners, sliced cheese, cocoa mix and caramels came during the Thirties. A process for making natural cheeses that cure in their own wrappers arrived in 1942. After World War II, the development of new products and the improvement of existing ones went on. In 1946, Kraft broke free of the historic method of producing Swiss cheese in huge (160 to 220 pound) wheels. Instead, Swiss cheese was introduced in 80-pound blocks, easier to handle and ready to slice. The new Swiss, equal to any in quality, is delivered in its own special wrapper, free of rind and waste.

Today, more than 100 Kraft plants around the world turn out over six billion pounds of Kraft products annually. Many of the sophisticated machines used to produce Kraft foods are them-


CREAM of CREAM CHEESE
BREAKSTONES
CREAM CHEESE
CREAM of CREAM CHEESE
5 LBS. NET
WHEN PACKED
Breakstone's
DOWNSVILLE CREAM CHEESE
MADE WITH PURE PASTEURIZED CREAM
BREAKSTONE BROS. Inc.
195-197 FRANKLIN ST.
NEW YORK, N.Y.
Milk and
Milk Products
PHONE
6565
WALKER 6566
6567

In the Twenties, Breakstone began manufacturing cream cheese at Downsville, New York. The product became especially well-known in the New York market as "Breakstone's Downsville Cream Cheese."

selves designed by Kraft engineers and manufactured in our own machine shops.

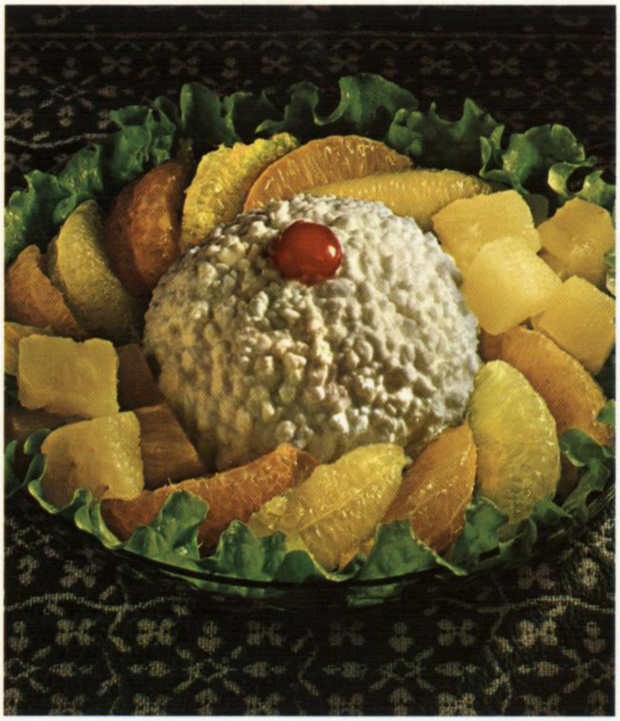
Kraft changed its name to Kraft Foods Company in 1945, reflecting a tremendous expansion into other food lines. Kraft Foods markets salad dressing products, sauces, jellies and preserves, cooking oils and shortening, margarine, packaged dinners, mustard and horseradish, confections and toppings, frozen foods, citrus items and a host of others.

Meanwhile, National Dairy further strengthened its milk and ice cream business with the introduction in 1935 of the Sealtest System of Laboratory Protection. This was an imaginative plan for quality control, applied with uniformity to all fluid milk and other dairy products. Now, through the Sealtest System, consumers could buy with confidence wherever the *Sealtest* trademark was displayed in the United States and Canada.

As a hallmark of quality, *Sealtest* gained wide acceptance. Sealtest Foods was formally organized in 1958 as a division of National Dairy through the consolidation of its many dairy operations. Over the years, Sealtest Foods has developed steadily into a major processor of dairy foods with a product line including ice cream, fluid milk, cream, cottage cheese, butter, yogurt and milk by-products.

Other outstanding brands are marketed by the Sealtest Foods Division, including *Breyers* All Natural ice cream. Sealtest's newest market success is a line of low-fat dairy products. Under

W
S
N
E
Sliced
KRAFT
NATURAL CHEDDAR CHEESE
MELLOW
MIDGET LONGHORN STYLE
KRAFT
ONE POUND
NATURAL BRICK CHEESE
Sliced
KRAFT
ONE POUND
NATURAL MUENSTER CHEESE
KRAFT
ONE POUND
NATURAL SWISS CHEESE
for full flavor enjoyment SERVE AT ROOM TEMPERATURE
Lager Käse
AGED BRICK CHEESE
NET WT. 10 OZS.
KRAFT
Midget Longhorn Style
COLBY CHEESE
PLANT 21-117
9 13 72 9
KRAFT
SCAMORZE CHEESE
KRAFT
SHARP
Cracker Barrel Cheese
SHARP
Cracker Barrel
NATURAL CHEDDAR CHEESE
EXTRA SHARP
Cracker Barrel
NATURAL CHEDDAR CHEESE
SAP SAGO
KRAFT
NATURAL COLBY CHEESE
Sliced
KRAFT
NATURAL BRICK CHEESE
Sliced
KRAFT
MOZZARELLA
KRAFT
NATURAL NORWAY CHEESE
KRAFT
AGED NATURAL SWISS CHEESE
Sliced
KEEP UNDER REFRIGERATION
EXTRA SHARP
Cracker Barrel
KRAFT
Cracker Barrel



Tropical Luncheon Specialty—*Breakstone* or *Sealtest* cottage cheese ringed with *Kraft* citrus sections and pineapple.

the *Light n' Lively* trademark, low-fat milk, yogurt, cottage cheese and ice milk are sold in most Sealtest distribution areas.

During World War II, 9,839 Kraftco men and women entered the U.S. Armed Forces. Of these, 225 died in service. After V-J Day and demobilization, nearly half of Kraftco's service men and women returned to the Company and Kraftco began to participate in the greatest national outpouring of products and services in economic history.

In 1951, annual sales passed the one billion dollar mark. The following year,Thomas H. McInnerney, founder, president, chairman, and chairman emeritus, died at age 85. And, in 1953, James L. Kraft died, having lived to observe the fiftieth anniversary of the company he founded in Chicago.

Directly related to its food processing operations is Kraftco's involvement in edible oil refining, packaging and pharmaceutical chemicals through HumKo Products, Metro Containers and Sheffield Chemical.

Founded in 1930 in Memphis, HumKo refines and markets edible oils and shortenings, as well as special chemicals used in a variety of other industries. HumKo joined Kraftco in 1952.

Metro Containers, headquartered in Jersey City, makes glass containers and packaging materials for use in the food, chemical, drug and other industries. Founded in 1935, Metro joined Kraftco in 1956.

Sheffield Chemical, with main offices in Union, New Jersey, came into existence shortly after 1900 as the by-products subsidiary of Sheffield Farms Milk Company (which became a part of National Dairy in 1925). Sheffield Chemical processes food bases and pharmaceutical chemicals.

KRAFT
Italian
Creamy Garlic
PARKAY MARGARINE
Sealtest DIP'N DRESSING FRENCH ONION
SWISS PARFAIT YOGURT PEACH
Breakstone CINNAMON APPLE YOGURT

Food favorites from three Kraftco divisions: Sealtest, Kraft and Breakstone.

A Kraftco banana spilt—*Sealtest* ice cream with *Kraft* toppings.

Kraftco's international products are not mere extensions of lines marketed in the United States. Rather, they are specifically developed to meet established consumer needs in the fifteen countries in which Kraftco subsidiaries have production and marketing operations.

International sales, which reached $50,000,000 in 1954, are now approximately equal to the Corporation's entire volume in 1941—over $400,000,000 per year.

As early as 1912, the Kraft brothers opened a New York office to develop export cheese business. In 1920, they bought a Canadian cheese company and, in 1925, the first overseas manufacturing operations got underway in England.

The philosophy of a high degree of local autonomy still prevails in Kraftco's international operations. Overseas plants and facilities are built by local contractors, staffed with local residents and, in the main, managed by local executives. In many countries we are looked upon as a local company of long standing.

Recent shifts in the world economy are leading to the opening of new markets and the improvement of existing ones. Clearly,

Kraftco's $400 million international business is based on marketing products specifically developed to meet the established needs of consumers in many countries.

Kraftco's international operations comprise one of the Corporation's major growth areas of the future.

During the Fifties and Sixties, the Corporation began a transition from its historic role as a holding company to that of an operating company through the creation of the Kraft Foods Division (1957), the Sealtest Foods Division (1958) and the Breakstone Sugar Creek Foods Division (1968). In 1970, all packaging and industrial operations were grouped under a new division, Kra-Pak.

In 1969, the corporate name was changed from National Dairy Products Corporation to Kraftco Corporation. While the changes of the Sixties were taking place, it became clear that the name National Dairy Products no longer fully described the Company. With the change to Kraftco, the Company acquired a name which allows a wider range of possibilities for expansion and diversification than was ever implied under the old name.

In 1970, it was decided to transfer corporate headquarters from New York to a new Administrative Center in Glenview, Illinois (the physical move being completed in 1972). Today, worldwide financial and legal services, data processing, planning and other corporate functions are directed and coordinated from this new location. Corporate Research and Development facilities have been located in Glenview for some years.

Taking advantage of modern travel and communications facilities, Kraftco executives throughout the Company are able to maintain close contact with operating units around the globe. The divisions are still responsible for their own operating results, but corporate interaction has produced a closer, more dynamic working partnership.

During a span of fifty years, Kraftco sales have soared from thirteen and one-half million dollars to more than three billion dollars. The Company is owned by over 70,000 stockholders. It is operated by more than 48,000 employees in many nations around the world. Kraftco's product line has grown to over 6,000 items and varieties. As technology advances, new skills are applied to established products. Today *Breakstone, Breyers, Kraft, Light n' Lively, Miracle Whip, Parkay, Philadelphia, Sealtest, Velveeta* and other traditional Kraftco brand names stand for better quality than ever. Kraftco also continues to strengthen its component operations so each will contribute to earnings and improved profitability.

Kraftco has changed with the times, but its basic philosophy has remained the same. The principle of learning what consumers want and need and responding with the best value possible is as sound today as it was nearly three generations ago.

The Quest for Better Nutrition

Awareness that the world will eventually run out of its present fuel resources is very much with us these days. The accumulated plant and animal life of past ages gave us petroleum power for a century or so, but before this source is used up we must develop others.

Another energy crisis—human hunger—has been around longer. To many members of the human race, food—just getting enough of it to keep body and spirit together—is a daily fight between life and death. The problem of hunger is of special concern to Kraftco because of the Company's traditional role in promoting better nutrition. Developing improved nutrition sources will be a major goal during the years ahead. One of the keys to reaching this goal is a better understanding of principles relating to energy, its sources and conversion.

Energy applied to raw material . . . conversion . . . consumption . . . the release of new energy. Through research, man hopes to expand his understanding of this unending cycle. Mainly through nutrition research, the traditional diseases of malnutrition—pellagra and rickets—have been virtually eliminated in this country. We think comparable advances in other aspects of nutrition will follow.

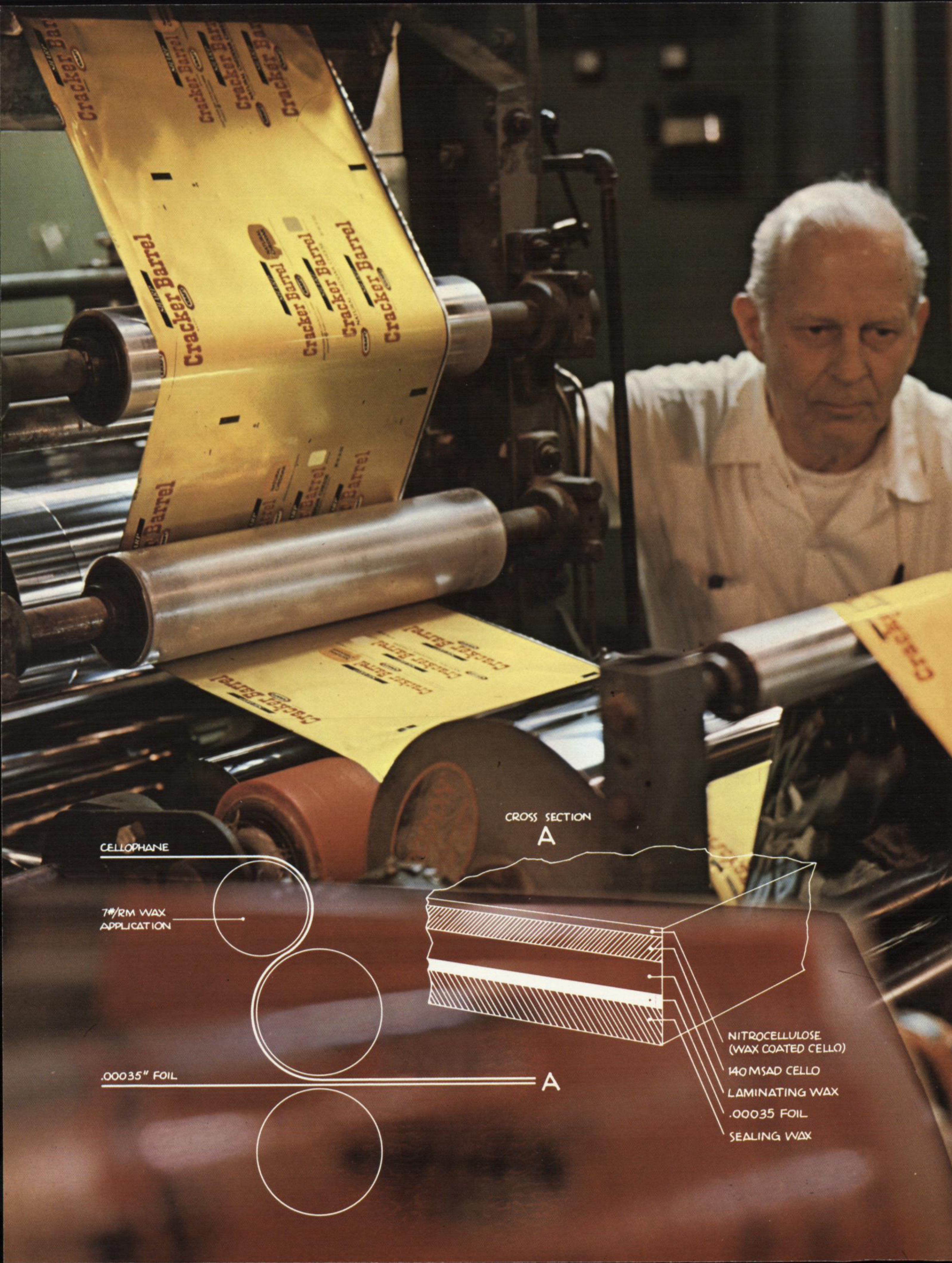
What principles, for example, govern the interaction of the known nutrients? What is the role of trace minerals in human nutrition? What are the facts about additives and alleged hazards in our food supply? Where will urgently needed additional sources of protein be found?

More knowledge is needed about photosynthesis, that mysterious event in which rays from the Sun are picked up by chlorophyll and made into food. We have scarcely begun to understand this magical process, yet improving its efficiency may be another vital step toward solving the hunger crisis.

Besides answers to questions about nutrition and other factors affecting food quality, we need new methods of increasing food quantity. The President's Science Advisory Committee has estimated that between 1965 and 1985, the world's calorie need will increase from 7.8 trillion to 11.1 trillion kilo calories per day and protein requirements will rise from 187,693 metric tons to 284,903 metric tons per day.

Despite all that has been accomplished and all that has been learned, there is reason to believe we are still at the very beginning of meeting our future energy needs. How to extend the productivity which begins with the Sun so people may be fed wherever they live, is a task for all men, but particularly for those of us at Kraftco and in the food industry.

Kraftco's traditional role in promoting better nutrition begins with our natural involvement with the source of our raw material supply.


Cracker Barrel
CROSS SECTION
A
CELLOPHANE
7#/RM WAX APPLICATION
.00035" FOIL
A
NITROCELLULOSE (WAX COATED CELLO)
140 MSAD CELLO
LAMINATING WAX
.00035 FOIL
SEALING WAX

R & D: Search for Alternatives

While responsibility for meeting the complex challenges that exist in the field of food research must be shared by industry, government and the academic community, a strong tradition for scientific investigation has been part of Kraftco for many years.

J. L. Kraft's original goal was to make cheese a more dependable and marketable commodity. Through research, he developed methods for producing a more standardized product with better keeping qualities.

In 1960, all Kraftco research and development work was consolidated at the Glenview, Illinois facility. The Research and Development Division is staffed by over 350 employees who work in a modern laboratory, pilot plant and administrative complex. Their mission is sevenfold:

First, to develop new products, for which consumer demand is identified through market research, in cooperation with the research kitchens.

Second, to improve established products. As food technology advances, it is the Research Division's responsibility to apply new knowledge to existing products, so their nutritional and economic value may advance too.

Third, to improve the economics of production through the use of new raw materials, specially designed equipment and processing techniques, packaging materials, and better utilization of labor.

Fourth, to develop packaging for all Kraftco products which affords optimum protection with the least impact on our environment at the lowest cost.

Fifth, to find uses for by-products, such as whey, which otherwise might be wasted, but nevertheless are high in nutritional value.

Sixth, to provide guidance and assistance in environmental protection, with special attention to Kraftco's performance in the abatement of air and water pollution, solid waste disposal and noise control.

And seventh, to maintain a close liaison with government and university laboratories so Kraftco can translate the results of their basic research into commercially productive uses.

Kraftco R & D specialists work with operating divisions, developing specifications and procedures for testing both raw materials and finished goods. Quality assurance is a major activity, along with the coordination of environmental control functions. Like the rest of the Corporation, R & D at Kraftco is goal-oriented and programs are usually developed on a project basis in cooperation with the operating divisions.

World food supplies of the future involve questions too important for any single sector of society to answer. Defining, examining and testing the alternatives available is one of Research and Development's chief contributions to the future of Kraftco.

At Kraftco, testing to assure high quality begins in the field, as in this Florida citrus grove near Kraft's Lakeland plant.

Production: Quantity with Quality

Kraftco products are manufactured in more than 170 facilities located in fifteen nations on five continents. The large majority are engaged in food processing. Sealtest manufacturing facilities are located chiefly in the Eastern and Midwestern U.S. and Canada. Breakstone Sugar Creek operates plants in the Atlantic and Midwestern states. Kraft Foods' facilities are more widely situated.

The remaining facilities are operated by the industrial manufacturing organizations of Kra-Pak. Metro Containers produces glass bottles in New Jersey, Pennsylvania and Illinois. Recently, Metro assumed responsibility from Kraft Foods for various other packaging and printing operations. HumKo and Sheffield Chemical produce quality ingredients and products at several locations.

The largest and newest of Kraftco's food processing complexes—perhaps the largest in the world—is the combined Kraft-HumKo facility in Champaign, Illinois. Kraft's Champaign plant was established in 1963 to process salad products. In 1970, a unit to produce pasta products, a cheese factory and a distribution center began operation. Today, this Champaign facility comprises 1.2 million square feet—over 28 acres—under a single roof. Each major unit in this giant plant was designed and constructed from the ground up for a specific purpose and the entire operation is a model of the latest food processing arts.

A total of 406 Kraft food items are manufactured in Champaign by 1600 employees. These include margarine products, dress-

ings, mustard, pasta, vinegar, cheese items and others. Vegetable oils for the mammoth operation are piped in from the adjacent HumKo refinery where 301 employees in 1972 also produced coffee creamers and institutional whiteners as well as the complete line of vegetable oils and shortening.

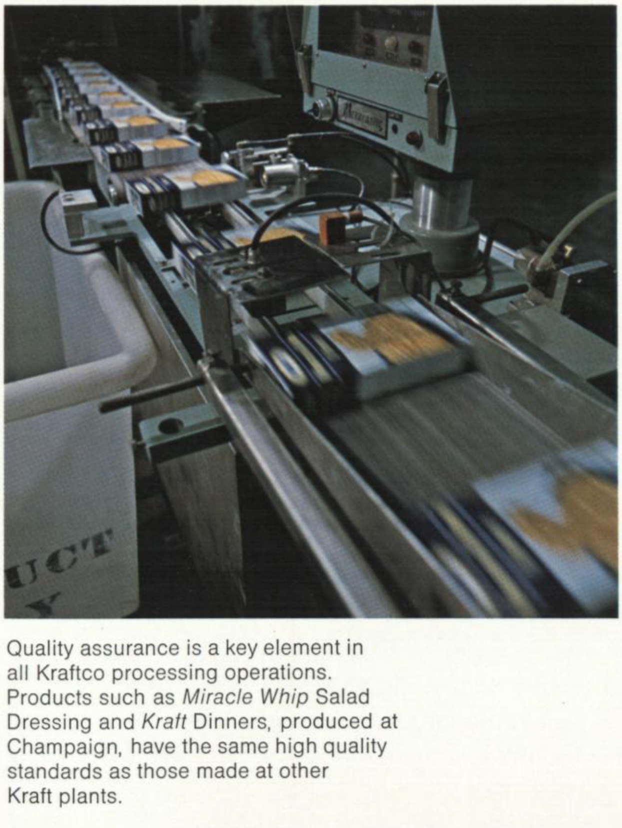
The distribution center in 1972 dispatched as many as 120 fully-loaded trucks and 25 railcars in a single day. These shipments included many items from other locations, in addition to those produced in Champaign.

Quality assurance is a key element in any Kraftco processing operation. Product quality is tested and proven over and over in an around-the-clock monitoring program.

Quality control begins with an initial critical study of each raw material, ingredient and packaging supply item, confirming that all the physical, chemical and bacteriological specifications are met. The formulas and manufacturing procedures for each product, developed by the Research and Development Division, are followed exactly and observed continuously by production and laboratory personnel as well as automatic in-process controls.

Detailed specifications are set for all raw materials and packaging supplies as well as for the finished products we produce, and these specifications must be met before any product is released for sale. In addition, there are storage and shipping specifications.

Special quality standards departments inspect production



Quality assurance is a key element in all Kraftco processing operations. Products such as *Miracle Whip* Salad Dressing and *Kraft* Dinners, produced at Champaign, have the same high quality standards as those made at other Kraft plants.

Kra-Pak Division's Metro Containers operation manufactures glass containers for Kraftco products and those of many other companies in the food, beverage, pharmaceutical and cosmetic industries.

CREAM WHITE
COFFEE CREAMER
Richtex
OIL
Richtex
CREAMED
HUMKO
OIL
HUMKO
PURE VEGETABLE
SHORTENING

Many HumKo products are manufactured at Kraftco's food processing complex at Champaign, Illinois.

facilities, distribution warehouses and retail outlets where Kraftco products are sold.

To the consumer this means one thing: that the Kraftco product purchased today will have the same high quality . . . taste exactly like the product purchased last week or in another store . . . that a product produced in Champaign, for example, will taste exactly like one produced at any other Kraft plant.

Small, even tiny by comparison with the vast operation in Champaign, Kraft's Stockton, Illinois facility—some 225 miles away—is nonetheless an important link in the corporate production network.

There, 65 full-time employees produce fine natural Swiss cheese from milk mainly received from neighboring farmers. Product quality at Stockton is assured by rigorous adherence to the same procedures and specifications as those established by R & D for every other Kraftco plant.

Built in 1914, the Stockton plant was the first bulk cheese plant owned by Kraft and was managed by Norman Kraft, brother of the division's founder. This original plant now operates as a condensing and drying facility for whey, the cheese-making by-product. An adjacent facility for the manufacturing of Swiss cheese was built in 1957.

In addition to the expansion at Champaign, several important manufacturing facilities were opened in 1972. One was Kraft's frozen food facility in Mattoon, Illinois. The Kraft Lehigh Valley plant, near Allentown, Pennsylvania, began production last summer. A large automated plant, it processes cheese and oil-based margarine and salad products. The plant's shipping facilities can accommodate 36 railcars and 38 trucks at one time.

In Germany, Kraft Foods added warehousing, distribution and improved manufacturing facilities to its Fallingbostel operation.

Not all production is for the retail trade. Over 600 Kraft products are formulated and packaged especially for institutional customers such as restaurants, schools, hospitals, airlines and vending companies. Scores of *cordon bleu* chefs sustain their reputations with the aid of our high quality bulk products. Kraft agricultural products, chiefly feeds and feed ingredients, are sold to farmers, ranchers and feed distributors.

Sealtest Foods and other Kraftco divisions also sell products to bakers, brewers, confectioners and other food manufacturers. These industrial customers buy Kraftco bulk ingredients and containers by the carload.

During 1972, both HumKo Products and Metro Containers substantially improved their manufacturing facilities, including the start of a major expansion of HumKo's Memphis chemical plant.

Environmental and pollution control standards are meticulously observed in all new construction. Also, Metro Containers operates reclamation centers which have recycled more than 43 million pounds of glass since 1970.

Light n' Lively
HOMOGENIZED FORTIFIED LOWFAT MILK
Sealtest
Light n' Lively
Sealtest
Breakstone
Breakstone
PASTEURIZED
AT FREE approx. 2% FAT
AWBERRY YOGURT
NET WT. 8 OZ.
YOUNGSVILLE, N.Y. 12791
DIET PARKAY
IMITATION
MARGARINE

Cool Salmon Mold

2 envelopes unflavored gelatin	½ teaspoon dill weed
1¼ cups cold water	¼ teaspoon salt
3 tablespoons vinegar	⅛ teaspoon pepper
1 cup *Miracle Whip* Salad Dressing	1 one-lb. can salmon, drained
1 cup *Breakstone* Sour Cream	1 cup peeled, chopped cucumber

Soften gelatin in water and vinegar; stir over low heat until dissolved. Cool. Combine salad dressing, sour cream and seasonings; mix well. Gradually add gelatin. Chill until partially set; fold in flaked salmon and cucumber. Pour into 1½ quart mold; chill. Unmold; surround with partially cooked vegetables marinated in *Kraft* Italian Dressing.

6 to 8 servings.

Marketing Good Food and Good Food Ideas

Kraftco's close contact with the retail food store and the consumer is second to none. Over 5,000 Kraftco sales and marketing representatives cover North America, Australia, and parts of Europe, Asia and South America. Under their professional handling, a marketing program is executed for each product. Although Kraftco products are sold side by side on the store shelves, each has its own market with unique opportunities.

Marketing leadership is provided by teams of specialists assigned to product groups within the divisions. Sales and advertising professionals work side by side. Together with their advertising agencies, they develop the marketing programs required to meet the sales and profit objectives for each product, including new and improved lines.

During 1972, Kraft Foods introduced 27 new cheese items; four new salad dressings, including a dry mix; seven boil-in-bag frozen dinners; and a new *Soft Parkay* Margarine made from safflower oil.

Sealtest Foods brought out a number of promising *Light n' Lively* brand products during 1972. These include refrigerated puddings and a new chocolate drink, which are currently in test markets.

Kraft's line of industrial products—designed for use as ingredients in other products—was broadened by the addition of a liquid margarine, several shortenings, and a dry lecithin called *Leciflow*. Used mostly in cakes, doughnuts and chocolate coatings, *Leciflow* is a good example of by-product utilization.

Kraft's institutional product line was expanded by the addition of 39 frozen food products, plus other items packed in bulk quantities for mass feeding.

KRAFT
Shortening
KRAFT
KRAFT
Chocolate

Kraft products and recipes for institutional use are kitchen-tested by home economist experts.

Jet-Puffed
KRAFT
Marshmallows
Marshmallows
Jet-Puffed
KRAFT

Kraftco in-store merchandising displays are designed to suggest good food ideas, as well as promote product sales.

SLICES
SLICED NATURAL CHEESE
American
Cracker Barrel
SWISS
UNDER PRICED!
KRAFT
12-8 OZ.
Sliced NATURAL SWISS CHEESE
3031

Over 5,000 Kraftco sales and marketing representatives cover North America, Australia, and parts of Europe, Asia and South America.

Sealtest's *Breyers* All Natural ice cream expanded into Virginia, New England, Memphis, St. Louis, Cincinnati and Cleveland. It is now being successfully marketed throughout most of the regions served by Sealtest. In Canada, the distribution of *All Natural Ice Cream* under the *Sealtest* label was expanded into Quebec Province, after being successfully introduced in Ontario.

Sheffield Chemical introduced a new line of soy peptones for use in a variety of pharmaceutical, veterinary and other industrial applications. Metro Containers began marketing several new packaging items, and HumKo announced improvements in its product lines.

While it cannot be classified as a new product in a literal sense of the word, the recent movement by Kraftco divisions from code dating to open dating should be noted. Under the open-date program, consumer-size food products carry a "pull date" which shows the day, month and year after which the item should not be sold. Kraft Foods Division has adopted the system. Most Breakstone Sugar Creek products carry the open date, and Sealtest has made the switch on many fluid dairy products in its northeast region. This form of dating helps to assure consumers that a product will be purchased while it is at

KRAFT
für gutes Essen
PHILADELPHIA
TENGELMANN

Miracoli
Käsekuchen
Mandelkuchen

Many products, including Miracoli, cake mixes and *Philadelphia* brand cream cheese are produced in Germany, by German employees for German consumers.

the peak of its flavor and freshness, with reasonable time for use when kept under good normal home storage conditions.

Kraftco's advertising program is the Company's spokesman to the public, an extension of the production and marketing effort. As such, it must meet the same requirements of quality, service and good taste. Most media are used to reach consumers and specialized markets.

Television plays a major part in Kraftco advertising. For years we were pioneers in the sponsoring of all-time favorite programs such as Kraft Television Theatre, Sealtest's Big Top Circus live from Philadelphia in the Fifties and, of course, The Kraft Music Hall whose roots go back to the first days of network radio in the early Thirties. Today, we participate in proven top-rated programs and specials, all chosen for their broad family appeal and wholesome entertainment value.

Backing the service concept of our advertisements and commercials, Kraftco distributes quarterly complimentary recipes and food suggestions to more than 1,100,000 homes. These materials are mailed out only at the request of the homemaker, and research shows that over 80% use at least one or more of our recipes each month.

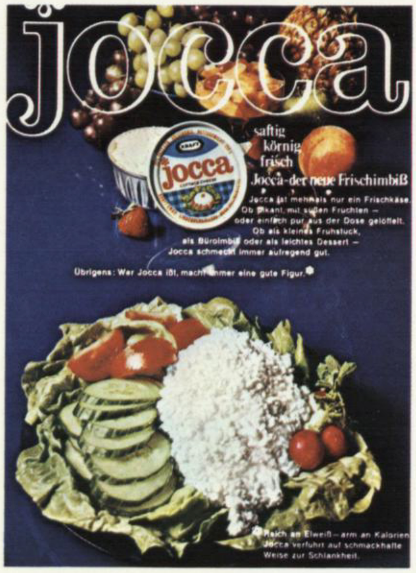
In addition, thousands of individuals from all walks of life contact our Consumer Service Departments each year for help and information. Their letters and calls cover a wide range of concerns: recipe inquiries, requests for educational materials, assistance with individual nutritional and dietary problems, or an occasional difficulty with one of our products. Kraftco's Consumer Service Departments give personalized attention to each, drawing on our home economists and on the Research and Production Departments for assistance in providing helpful answers. Each year, many hundreds of people write just to say "Thank You."

Thousand Island Dressing
For the best-dressed salad in town.
Kraft Thousand Island Dressing has an exotic tang
of gherkin, red peppers, garlic, onion and spices.
It'll make your salad—any salad—fascinating, lively, sensational, different.
KRAFT

Try a cheese
you've never tried before
at the Carnival of
KRAFT Australian Cheeses
The Carnival of KRAFT Australian Cheeses is now on at your grocer's. This is your big opportunity to get to know the cheeses of the world made right here in Australia by KRAFT
You can afford to be generous with KRAFT Australian Cheeses.
KRAFT
Mil Lel
Romano Cheese
Swiss Cheese
Processed Cheddar Cheese
Velveeta
Cheshire Cheese
Old English
Philadelphia
Grated Parmesan Cheese
Cracker Barrel Cheese
Monterey Cheese
Coon
Gouda Cheese

The best-tasting way we know to help you stretch your food dollar.
Kraft Dinners: great ideas for good cooks on a budget.
KRAFT
Macaroni & Cheese Dinner

Banana Mallow Pie
Make it the good Kraft way.
Your family'll love it.
KRAFT
Miniature Marshmallows
Kraft Marshmallows go bananas!
They're jet-puffed to stay soft and blend smoothly.


jocca
saftig
körnig
frisch
Jocca-der neue Frischimbiß
Jocca ist mehrmals nur ein Frischkäse.
Ob pikant, mit süßen Fruchten –
oder einfach pur aus der Dose gelöffelt.
Ob als kleines Fruhstuck,
als Büroimbiß oder als leichtes Dessert –
Jocca schmeckt immer aufregend gut.
Übrigens: Wer Jocca ißt, macht immer eine gute Figur.
Reich an Eiweiß – arm an Kalorien.
Jocca verfuhrt auf schmackhafte
Weise zur Schlankheit.

Für Gutes Essen . . .

. . . the language may be different but the message is the same—good food and good food ideas.

Kraftco, as a multinational food processor, is primarily concerned with satisfying needs which are universal. Therefore, marketing programs can, and frequently do, cross boundaries to meet particular taste and nutritional requirements that are remarkably similar in various sections of the world.

Kraftco advertising helps tell the story in 12 languages. We try to make our advertising do more than just inform consumers about nutritious and good-tasting products. Through service suggestions, we help homemakers plan meals that are nutritionally balanced and interestingly varied. And so, the concept of multinational operations encompasses more than processing technology and distribution. For Kraftco, it includes the message of good taste and service . . . a message which seeks out the needs of people wherever they are, in whatever country they call home.

KRAFT
orange juice
100% NATURAL from florida

Kraft. Puur natuur.

De beste sinaasappelen.
Langzaam gerijpt in zonnig Florida.
Vers geplukt door Kraft. Vol vitamine C.
De gezondste manier om de dag te beginnen.

KRAFT

El postre que nunca se guarda

¡Y se comprende! Es tan sabroso... como todo lo que se prepara con el Queso Crema Philadelphia de Kraft

TORTA DE QUESO Y FRESAS

Mezcle 1-1/2 tazas de galletas de María molidas, 2 cdas. de azúcar y 2 cdas. de mantequilla derretida. Cubra con esto un molde movible engrasado. Cierna 2 cdas. de harina, 1/2 taza de azúcar, 1/4 cdta. de sal. Añada 2 Quesos crema Philadelphia de Kraft de 225 gr. Una. Agregue 4 yemas de huevo batidas, 1 cdta. de vainilla, 1 taza crema de leche, 4 claras batidas a punto de nieve. Mezcle suavemente. Vierta en el molde y hornee a 325º F por 1 hora. Apague el horno y déjela dentro 1 hora más. Refresque. Quite el aro. En una ollita, ponga 1 taza de azúcar, 1/4 taza de agua, 3 gotas de limón. Cocine hasta que tenga punto de almíbar suave, agregue 1 taza de fresas. Cocine 5 min. y bañe la torta.

KRAFT Y, en KRAFT, el sabor lo dice todo

America's Favorite
KRAFT
Miracle Whip
Salad Dressing

French bread needs a little American ingenuity.
Give it a hand with this new idea from Miracle Whip.

Miracle Whip Salad Dressing makes any sandwich special. It's perfect just the way it is. Its lively fresh flavor comes from fresh-ground spices and a special blending secret that is Kraft's alone. And that's why any sandwich is a better sandwich when it's made with Miracle Whip. It's America's favorite salad dressing!

B.L.T. Français

Ingredients: Shredded iceberg head lettuce; Miracle Whip Salad Dressing; individual French bread loaves, split; tomato slices; hard-cooked egg slices; crisply cooked bacon slices.

Combine lettuce and enough salad dressing to moisten. For each sandwich, spread bread with salad dressing; fill with lettuce, tomatoes, eggs and bacon.

KRAFT Division of Kraftco Corporation

KRAFT
KRAFT
KRAFT
KRAFT
KRAFT

Nur Gutes
verdient den Namen «KRAFT»

Wie diese Spezialsauce.
Aus naturreinen, feurigen Früchten
und kostbaren, edlen Gewürzen.
Denn für KRAFT ist nur das Beste gut genug.
KRAFT Spezialsaucen, KRAFT Mayonnaise.
KRAFT Ketchup.

Breyers
Ice Cream

all-natural ice cream.

We're so proud of Breyers all-natural ice cream, that we'd like to buy you $1.00's worth.

Kraft: les meilleurs morceaux des meilleurs fromages.

Kraft fait venir d'Angleterre, d'Allemagne, de Hollande les seuls bons fromages qui manquaient encore à la France.

En tranches fines ou en morceaux, vous les trouverez dans tous les magasins signalés Kraft. Et vous les dégusterez tout entier : les fromages Kraft sont toujours coupés loin de la croûte.

Gouda.
Un fromage hollandais, au goût discret. Idéal pour les petits déjeuners, les goûters ou les pique-niques de cet été. Quelques grains de cumin lui vont très bien.

Tilsit.
Un goût subtil venu d'Allemagne. À savourer de préférence, sous un olivier, avec un petit rosé bien sec, et des cigales qui chantent.

Edam.
Une pâte savoureuse et moelleuse, venue de Hollande, appréciée des gourmets. Les plus raffinés dégustent l'Edam avec des noix fraîches et du pain de campagne. Essayez !

Chester.
Un grand fromage anglais, au goût riche et peu connu. Il termine en beauté les dîners les plus fins, et se marie très volontiers avec un bon bordeaux.

Lindenberger.
Venu des Alpes bavaroises, c'est un gruyère toujours parfumé, toujours tendre, jamais piquant. Un fromage de grande classe. Pour exalter sa saveur, un peu de moutarde !

Kraft: les bonnes choses du monde entier.

Kraftco in the Community

A company that uses its energy to strengthen the society in which it operates is really making an important investment in its own tomorrow. Toward this end, Kraftco moves quietly and affirmatively in many different areas of concern.

One way Kraftco works to insure the future is by financial support for many colleges, universities and individuals who seek to improve their learning. For example, the Company sponsors five National Merit Scholarships for which high school graduates who are children of Kraftco employees compete annually. By providing a tuition refund program, Kraftco employees are encouraged to attend local schools in order to broaden their capabilities and opportunities for advancement. In connection with Kraftco's co-sponsorship of the National Junior Miss Program, scholarship awards encourage young girls to develop their talents and abilities through education.

Of course, Kraftco has a particular interest in supporting research efforts in the field of nutrition and food technology. Contributions to work being done at MIT, Harvard University, and support through The Nutrition Foundation and other organizations are substantial.

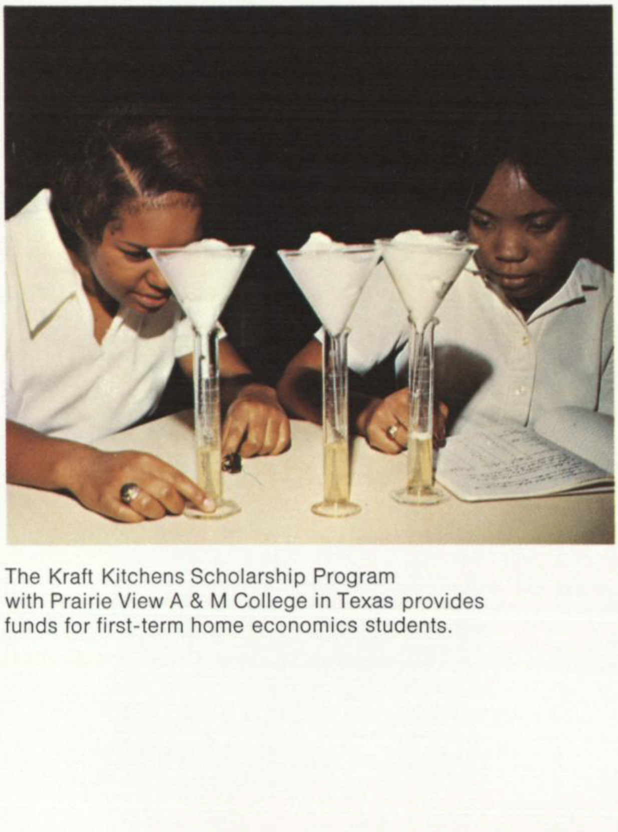
With regard to Kraftco's involvement with community interests of special concern to minorities, the Company participates in many activities including the Consortium for Graduate Study in Management which each year places some fifty Negro students

into the MBA program of five universities. The Kraft Kitchens Scholarship Program with Prairie View A & M College in Texas provides funds for first-term home economics students and scholarships that enable advanced students to serve summer internships with the division. "Higher Horizons" is the Kraftco sponsored, Peabody award-winning radio program which, in 1972, informed minority high school students in five cities of local college admission requirements and sources of financial assistance.

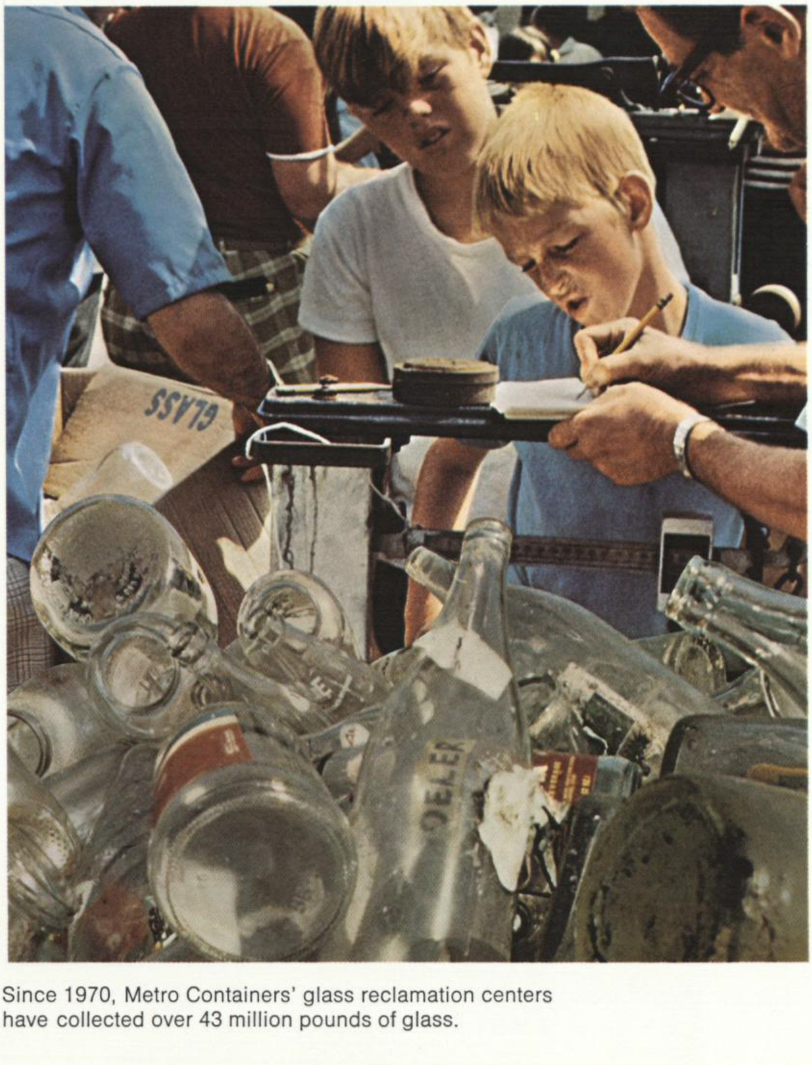
As an employer, we believe effective equal opportunity merely begins with the hiring commitment. Our deeper responsibility is to maximize growth opportunities for every employee through training and incentives, and by creating an environment which encourages individual achievement.

In the same sense, reaching beyond employment in order to provide better economic opportunity, Kraftco is a customer of many small businesses and minority enterprises including banks, industrial suppliers of goods and services, and communications media.

The importance of special interests, however, does not diminish the common needs shared by all in our society. Kraftco products literally are part of the essence of life itself which results in a natural involvement with the community—our consumers. Just as we continually work to improve the nutritional value of our



The Kraft Kitchens Scholarship Program with Prairie View A & M College in Texas provides funds for first-term home economics students.



Since 1970, Metro Containers' glass reclamation centers have collected over 43 million pounds of glass.

products, increasing consumer understanding of good nutrition is also a Kraftco priority.

In the early Sixties, the Kraft Foods Division embarked on a program of nutrition education which each year reaches a wider circle of children, teens and young adults. This multi-media effort includes complete teaching kits which describe the uses of cheese, meats and vegetables, the importance of a good breakfast, and the preparation and serving of salads.

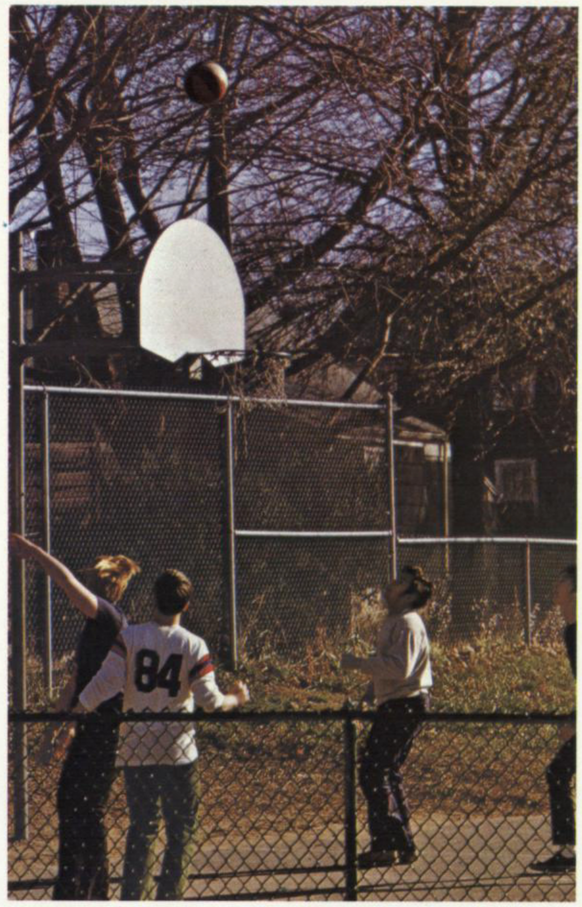
In response to teachers' requests for materials relating to good consumer practices, a "Food Buymanship" kit, containing instructional guides, film strips and study pamphlets was prepared in 1970. This kit covers the basics of food buying, the organization of a typical supermarket, factors which influence food prices, the ways in which food is produced and moved into the market, and other subjects.

These kits, developed in cooperation with teachers, home economists and public officials are sold, at below cost, to over 7,000 schools from coast to coast. During 1973, a new kit on the principles of good nutrition, geared to the elementary grades, will be released.

An outstanding motion picture is distributed free to grade schools. "Doing Great Things" tells children about the special benefits of good nutrition while they are growing up.

Regarding concern for our shared environment, a mutuality of interest exists between Kraftco and the community because our goals are the same. Long before ecology was a national concern, we were working at the farm level to help guard that environment which is the precious source of our own raw materials. Back in the Thirties, Kraftco had what may have been the first mobile environmental control laboratory. More recently, the development and implementation of a complete "environmental audit" of all our locations to detect and correct potential problems is a continuing program.

Kraftco is at home in both rural and urban communities throughout the world. Our many-faceted corporate citizenship will never be taken for granted and we will continue to be an energetic and integral force in helping to improve our climate for living.



Kraftco believes that emphasizing the principles of good nutrition to children will enable them to lead healthier lives.

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Kraftco Corporation

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Sealtest Foods Division
Breakstone Sugar Creek Foods Division
Kra-Pak Division
Research and Development Division